



Committee: Environment & Transportation
Testimony on: SB528 - “Climate Solutions Now Act of 2022”
Organization: MLC Climate Justice Wing
Person
Submitting: Diana Younts, co-chair
Position: Favorable with Amendments
Hearing Date: March 24, 2022

Dear Mr. Chairman and Committee Members,

Thank you for allowing our testimony today in support of SB528. MLC’s Climate Justice Wing is a statewide coalition of over 50 grassroots and grasstops organizations focused on getting State level climate justice legislation passed. We strongly support this smart, ambitious legislation, with some tweaks and amendment proposals.

An important reason to support SB528 is that it leads with equity and involves black and brown communities, labor, and youth in achieving the goals of the legislation and having a role in the shaping of the implementation plans.

First, SB528 tasks the existing Maryland Commission on Environmental Justice and Sustainable Communities to solicit input from all segments and communities in developing strategies to address the priorities of environmental justice communities, and to reduce greenhouse gas emissions and co-pollutants in the communities that have a disproportionate concentration of polluting industries and highways. The commission will also coordinate with vulnerable communities that are particularly challenged by storm surges, heat islands, lack of tree canopy and other effects attributable to climate change and to coordinate with and report to the Maryland Commission on Climate Change and the Maryland Department of the Environment (MDE), from which the MDE will act on those recommendations.

Similarly, the bill establishes a Just Transition and Retraining Work Group, composed of representatives of labor, the NAACP, and formerly incarcerated individuals, as well as registered apprenticeship sponsors, representatives of the solar and wind industry to assist in a just transition.

Additionally, SB528 creates a Climate Justice Corps composed principally of young people to create career training opportunities in the new green economy, particularly for youth from disadvantaged communities. We also strongly support the other top line goals of the

legislation, but we would like to focus our remaining testimony upon the buildings and schools pieces.

MCCC Recommended Building Energy Performance Standards: Because buildings are 40% of Maryland's greenhouse gas emissions, the MCCC (Maryland Commission on Climate Change), modeled four pathways for reducing emissions from buildings and recommended one as the pathway to follow, which also happens to be the *cheapest* pathway of the four modeled. Climate Solutions Now follows the recommended MCCC pathway.

Under the bill, commercial and multifamily buildings that are 25,000 square feet or larger will be required to reduce their direct greenhouse gas emissions 100% by 2040, with interim targets; and for public buildings to reach that target by 2035. The target date is designed to coincide with the end of the functional lifespan of a building's heating and cooling systems. Not only is that the cheapest time to replace a system, but replacing with electric for most buildings is the cheaper than replacing with gas or other fossil fuel systems. For instance, the MCCC concluded that *“for multifamily buildings, the cost of installing heat pumps can be significantly less than the cost of replacing existing air conditioning and gas systems.”*

Climate Solutions Now also includes a number of smart complementary components that make the program work for the public:

- **The Climate Transition & Clean Energy Hub** - which acts as a clearinghouse for information, technical advice and financial incentives for the public and professionals;
- **The Climate Catalytic Capital Fund** - to provide the MCEC (Maryland's Green Bank) financing that includes C-Pace financing and creation of a green bonds program. These aspects allow financing to attach to the building itself, which is important for private owners, and the green bond fund will help to attract private capital to further enhance the utility of the fund. Depending on the program, every \$1 of public investment in green bank funding generates \$4 to \$7 of private capital.
- **The Building Energy Transition Implementation Task Force** - to develop recommendations for further complementary programs and incentives aimed at reducing greenhouse gas emissions from the building sector; and
- **The Expansion of the utilities' EMPOWER** program that will expand and increase rebates and other energy efficiency measures for consumers.

Net-Zero Construction for State Owned Buildings: Climate Solutions Now requires that buildings that are 100% funded by the State be constructed to Net-Zero standards. This is an important provision to retain because not only is it cheaper to achieve net-zero by designing a building to be net-zero than by modifying an existing building, but they are much cheaper to operate than conventional buildings.

Net-Zero School Pilot Project: The bill provides for a pilot project of one net-zero school per district to be built by 2033. While SB528 is more conservative than it needs to be with respect to schools by providing only for a pilot program for net-zero schools, it is at least a modest step forward. We already know that the upfront construction costs of net-zero and net-zero ready schools are comparable to the costs of conventional schools, as proven by the two net-zero schools built in Baltimore. Those schools were built at a cost of \$358 and \$364 (including the solar panels) per square foot with site preparation as compared to \$360 per square foot for conventional schools in that same year of construction. And of course these schools will have substantially lower operating costs because they consume substantially less energy. Finally, by using the zero energy buses that are another aspect of SB528 as battery backup (as is being developed in Montgomery County), schools can act to further reduce their draw on the grid (or even to provide additional energy to the grid) and serve to strengthen our schools' ability to act as important resiliency hubs in times of emergency.

Projected Dramatic Increases in Gas Rates are an Important Reason to Transition from Fossil Fuels: The MCCC and the Gas Utilities themselves have projected dramatic increases in gas delivery rates. The MCCC predicts they will rise 4 to 5 times by 2045; The utilities project that repair costs for their leaky infrastructure under the STRIDE program will rise from \$155 million annually to \$455 million annually by 2044. (The Office of People's Counsel likened the gas utilities to having a credit card with no spending cap and its ratepayers foot the bill).

Some have misleadingly maintained that buildings should retain gas heating systems for when there are power outages and for when it is cold outside. Neither of these claims are true.

- First, modern heat pumps work well in all of Maryland's climate zones. There are multiple brands that work at full capacity down to 5 degrees Fahrenheit, with a few notable brands that work down to -15 degrees F. The lowest recorded temperature at Deep Creek in western MD was -5 degrees in the last 20 years.
- Second, *Gas systems need ELECTRICITY to work.* If there is a power outage, *gas heaters and appliances do not work* because they have electric starters, controls, pumps, ignitors, and safety valves which will not allow gas to flow if the electric ignitor does not turn on. Some very old direct venting fireplaces and wall heaters would work, but then they also significantly increase indoor air pollutants and when they malfunction they create an enormous carbon monoxide risk. And for buildings that must have or want to have back up systems (such as hospitals and first emergency operations), **battery backup** provides the power (or a diesel generator). A gas boiler does not. Public Safety Codes do not allow Natural Gas for emergency backup.

Strengthening Amendments Sought:

Improvement of Benchmarking Provisions: Climate Solutions requires building owners to annually report their greenhouse gas emissions to MDE (Maryland Department of the Environment) so that MDE can use that data to model energy efficiency targets for buildings

for future legislation. This is critical because not only should buildings reduce their greenhouse gas emissions but they should also reduce their overall energy use. Without benchmarking data, Maryland is hamstrung in setting appropriate targets in the future. Thus, building owners should be required to report their energy use by fuel type and to report the square footage of the building so that Maryland can set targets in the future for energy efficiency.

Public Buildings: Public buildings that are at least 25% funded by the State should be built to the same net-zero standards required of new state-owned buildings. This is the responsible step to take to not only help Maryland reach its climate goals but will also serve to safeguard the public fisc against escalating energy costs. At a minimum, all such public buildings – including schools – should be built all electric.

Building Energy Transition Implementation Task Force: One goal of the Task Force is to establish low-income household retrofit targets and heat pump sales targets. We ask that in setting those targets that a date by which to achieve those targets be also established by the Task Force and that the Affordable Housing amendments suggested by the National Housing Trust also be incorporated into the Task Force membership and duties.

For these reasons, we urge you to adopt our proposed amendments and issue a favorable report.

MLC Climate Justice Wing:

Assateague Coastal Trust
Maryland Legislative Coalition
MD Campaign for Environmental Human Rights
Chesapeake Climate Action Network
WISE
Frack Free Frostburg
Mountain Maryland Movement

Howard County Indivisible
Howard County Sierra Club
Columbia Association Climate change and sustainability advisory committee
HoCo Climate Action
CHEER
Climate XChange - Maryland
Mid-Atlantic Field Representative/
National Parks Conservation Association
350 Montgomery County

Glen Echo Heights Mobilization
The Climate Mobilization Montgomery County
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Takoma Park Mobilization Environment Committee
Audubon Naturalist Society
Cedar Lane Unitarian Universalist Church
Environmental Justice Ministry
Coalition For Smarter Growth
DoTheMostGood Montgomery County
MCPS Clean Energy Campaign
MoCo DCC
Potomac Conservancy
Casa de Maryland
Nuclear Information & Resource Service
Clean Air Prince Georges

Laurel Resist
Greenbelt Climate Action Network
Maryland League of Conservation Voters
Unitarian Universalist Legislative
Ministry of Maryland
Concerned Citizens Against Industrial
Cafos
Wicomico NAACP
Chesapeake Physicians for Social
Responsibility
Chispa MD
Climate Law & Policy Project
Maryland Poor Peoples Campaign
Labor for Sustainability
The Nature Conservancy
Clean Air Prince Georges

350 Baltimore
Maryland Environmental Health Network
Climate Stewards of Greater Annapolis
Talbot Rising
Adat Shalom Climate Action
Chesapeake Earth Holders
Climate Parents of Prince Georges
Echotopia
Maryland NAACP State Conference,
Environmental Justice Committee